

25 October 2023

ASX Limited
ASX Market Announcements Office
20 Bridge Street
SYDNEY NSW 2000

Employee Share Purchase Plan (ESPP) Loans and updated cost guidance

Magellan Financial Group Ltd (“Magellan” or “the Group”, ASX: MFG) today announces that, as part of its continued focus on the retention and incentivisation of its employees, it intends to make additional retention payments to current employees to further assist with the repayment of outstanding Employee Share Purchase Plan Loans (“ESPP Loans”).

Under the proposal, additional retention payments totaling approximately \$7.7 million are proposed to be made to current employees with outstanding ESPP Loans, to be applied against outstanding loan balances. These payments will close out the ESPP Loans for the vast majority of staff by September 2025 and substantially resolve the ESPP Loans for the remainder of applicable staff. These payments will be partially offset by a reduction in previously announced retention payments of approximately \$1.3 million to certain Key Management Personnel.

The expenses associated with the retention payments will be recognised by Magellan over the course of their vesting periods. The impact of these additional retention payments on Magellan’s expense base is expected to be approximately \$2.5 million in FY24, and therefore, Magellan’s previously provided cost guidance for its FY24 Funds Management Business increases to \$97.5-\$102.5 million.

Executive Chairman, Mr Andrew Formica said: “Magellan is focused on ensuring we retain, attract and appropriately incentivise our talent to drive performance excellence. Addressing the ESPP Loans for our employees so that they can remain focused on delivering for our clients and shareholders is an important part of this. We are also committed to the development of our new employee accountability and alignment model by 30 June 2024, which will provide employees with short term and long-term incentives that are aligned to delivering positive client and shareholder outcomes.”

Authorised by the Board

About Magellan

Magellan Financial Group is a specialist funds management business established in 2006 and based in Sydney, Australia. Magellan’s core operating subsidiary, Magellan Asset Management Limited, manages approximately \$35 billion of funds under management at 29 September 2023 across its global equities, global listed infrastructure and Australian equities strategies for retail, high net worth and institutional investors and employs approximately 110 staff globally. Further information can be obtained from www.magellangroup.com.au.

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